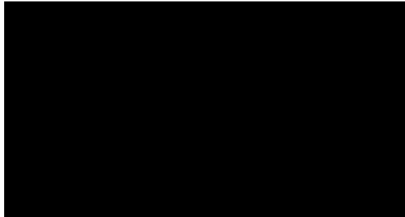


4-9078
Clayton
* DDI

30 November 1953

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Thank you for your thoughtful letter of the 25th. I have passed it on to our economists who I know will be very interested in your observations.

As you know, I am not an economist and so cannot personally vouch for the methodology used but I have done considerable cross examining of our people and our rather substantial group of highly regarded academic consultants all of whom feel that our data as to the recent past is thoroughly reliable. As to the future, of course judgment and hunch play a terrific role; so I should not have conveyed an impression of certainty as to growth over the next few decades. In between -- our projections for the next 3 to 4 years could hardly be far enough off to affect our basic thesis. We are now the less withholding judgment until the expected '53 figures are announced next February at which time we will take a completely new look.

You are certainly correct about the effect of an American depression on the relative economic size of the U.S. and the U.S.S.R. Usually I take pains to point out that a recession of comparable portions to that of 1938 would reduce American heavy industry to the level of Russia's.

As to our comparison of American Ph.D.'s with Soviet Doktors and Kandidates, we, too, have been troubled but after painstaking study our Office of Scientific Intelligence concluded that the median American Master's degree required substantially less hours of postgraduate work and, therefore, excluded them from our comparative table. I should have indicated this factor in discussing tables.

Do remember to drop in on me whenever you come to Washington as I enjoy greatly opportunities to exchange ideas with you. Apropos there I hope you and [redacted] are putting your heads together on the recent Soviet military promotions, because all possible talents must be used in trying to reach conclusions as to the role the military is now playing in the Soviet.

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Sincerely,

A handwritten signature, likely of the author, in dark ink.